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## THE MONTE CARLO STORY

When Grace Kelly moves into her new palace, she will discover that Monaco is not only the setting for the fairy-tale romance of the year but the backdrop of a fascinating feud between her royal husband and one of the richest men in the world. Here is the inside story of



Rainier was often lonely and discontented before his successful courtship.

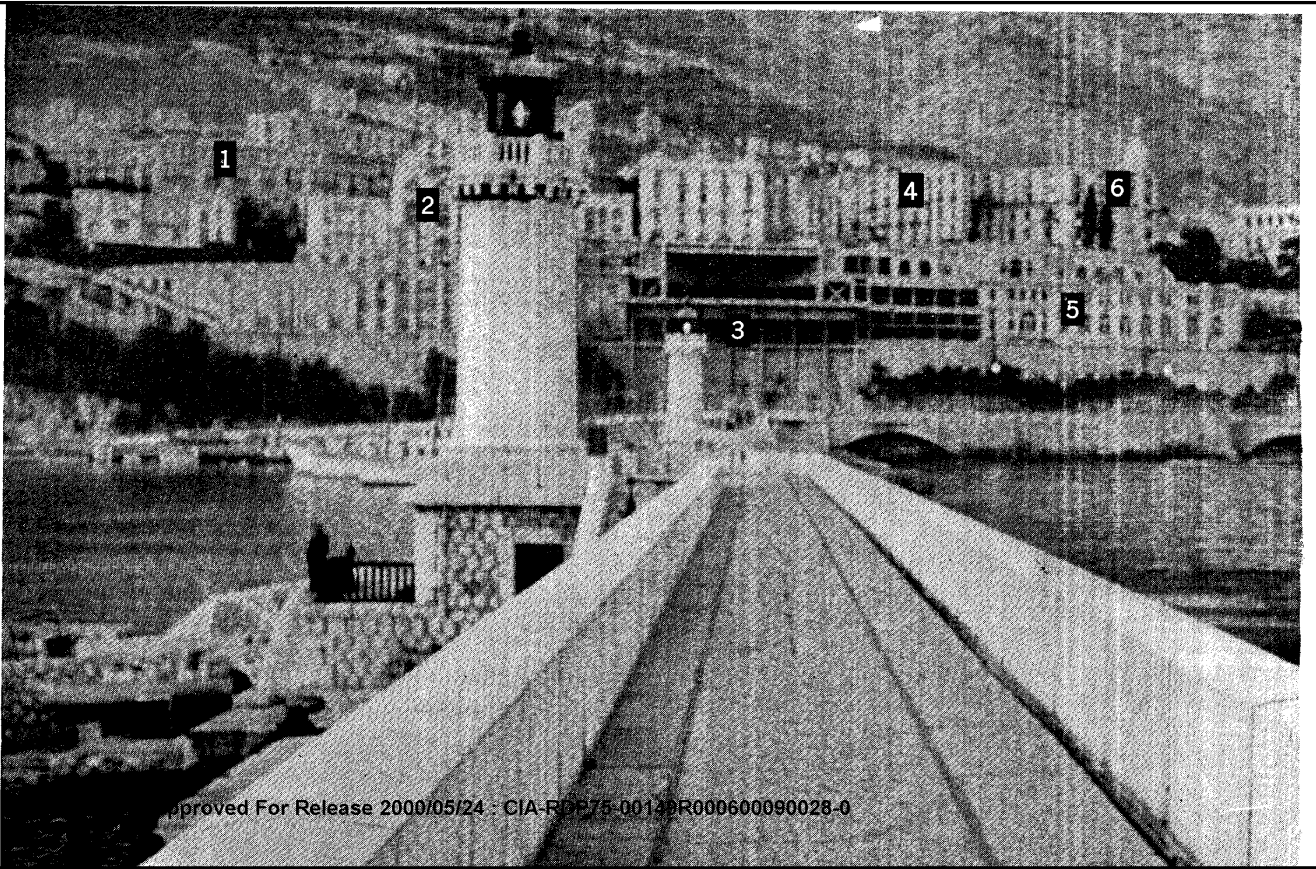
CPYRGHT

# the Prince...

# the Girl

# and the man with the money...

CPYRGHT



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These men, GOP Chairman Leonard W. Hall, Dr. George Gallup, public-opinion pollster, and Gen. Alfred M. Gruenther, NATO chief, were the big influences on Ike. Hall gave him an image; Gallup, the public's love; Gruenther, the world's need.

nouncement. On three of these visits, he talked to Ike. Also, he supplemented these talks with notes from Paris.

Gruenther frankly felt that removal of Eisenhower as the free world's symbol of leadership might have harmful results on the democratic alliance. He did not pretend that Ike was indispensable, but contended the sailing would be much smoother with Ike at the helm.

From foreign affairs, Ike's questioning probed into domestic politics. Why couldn't the Eisenhower team stick together under another leader? His aides considered this politically naïve and told him so. Without Ike, the team would unquestionably fall apart.

#### Humphrey Tells Him the Score

Many things were said to him by many aides, but Secretary of the Treasury Humphrey boiled them all down in his concise way. Here, in substance, is what he told the President: You have no duty to run. You don't owe this country a thing. You have given your life in service to America. There is no debt hanging over you. So you can leave duty out of it. But you are the most popular leader in the free world. Your prestige is worth much in the cause of peace. At home, no other man can put your program through Congress. No other man can ensure a Republican victory. With you, peace, prosperity and a sound economy are probable. Without you, they are at best uncertain. Those are the facts, plain and simple.

Now, a new note crept into the President's questioning. Suppose he were able and willing to run, how could he be sure the people wanted a President whose activities must be restricted?

His doubts were soon to be resolved. One of his aides learned that the Gallup organization proposed to poll the country on that very question. Convinced it would show heavy approval for another term, he urged that Ike be persuaded to say nothing definite before the results were published.

Meanwhile, although the President got plenty of talk when he asked for it, few volunteered advice. His aides studiously avoided making any gestures resembling pressure. First, they knew he would resent it. Second, they feared it would backfire and get him thinking about quitting.

Frequently, Ike consulted with his brother, Milton, the man whose judgment he values most. If he thought a piece of advice might be freighted with some personal interest of the adviser, he checked it with Milton.

February arrived, and Ike seemed to be feeling pretty much in top form. Consequently, he confided one day that he wanted to announce soon. After all, Sen. William F. Knowland was pressing him for a decision and he might as well clear the air.

The men who heard this had no doubt that the President meant he would announce his intention to run. They dissuaded him. He owed it to himself, they contended, to wait for the doctors' final report. First, he might not be as well as he felt. Second, if he were to announce, it would appear that he was trying to force the doctors' hands.

Ike agreed. He hadn't thought of it in those terms. He merely thought he owed it to everybody concerned to clear away doubts as soon as possible.

Events rushed to a climax. On February 9, the Gallup poll answered the President's question about how the people felt. Sixty-one per cent said they'd like to see him run again. Only 25 per cent said no. Two days later, another Gallup poll gave Ike a 61-35 edge over Adlai E. Stevenson if they were opponents again.

That week, the President notified his Cabinet that he intended to veto the bill freeing natural-gas producers from a measure of Federal control. Ike said there was mighty pressure on him to sign the bill. "If I get into this thing again," he told the Cabinet, "you fellows are going to have to stay around for another five years and help me take the heat." To the eager Cabinet, this was little short of a flat "I'll run."

#### He's Fit to Run!

Great news greeted the President on February 14. The doctors had put him through a complete check at Walter Reed Hospital three days earlier. Now, after a consultation, they announced publicly that he was fit to run. After the announcement, Ike took a gleefully relieved plunge in the White House pool.

Then came the roughest day on the road of decision. Republican legislative leaders were called to the White House. Ike informed them he intended to veto the natural-gas bill.

There was an angry explosion. The measure had passed Congress with lopsided Republican support in both houses. Ike's name on the ticket, it was said, was worth about 10,000 votes to the average Republican congressman. If he intended to subtract those 10,000 votes by not running, to veto the gas bill would be a final rebuff to those who had supported him. The opposite was not

stated, but it was clear—if he were to run, all would be forgiven. Tempers finally cooled, but Ike was left with one more link in the closing net of duty.

On February 15, the President and Mrs. Eisenhower flew to Georgia for a 10-day vacation on Secretary Humphrey's estate. Ike hunted, played bridge and golfed. On the twenty-second, he played his first 18-hole round of golf since the day before his heart attack.

A few days before Ike returned to Washington, John Feikens, Michigan Republican chairman, called on Chairman Hall and White House Assistant Adams in Washington. He said he had to know if Eisenhower was going to run because of state-delegate problems. Both men told Feikens they were sure Ike would announce the following Wednesday that he would be a candidate, but, of course, they had no positive word. Feikens left in a chipper mood.

If there were any doubts lingering in Ike's mind when he returned to Washington on February 25—and none of his close associates believed there were any—Adlai Stevenson managed to salt them away. In a speech at Hartford, Conn., on that day, Stevenson ridiculed Ike as the "head coach" who "seems to have missed the plays and to not be too sure of the score," Ike boiled.

The final 24 hours before the world learned Ike's decision opened with an air of tension and expectancy around the White House. Legislative leaders and Vice-President Richard Nixon met with the President on the morning of February 28, but no mention was made of the forthcoming announcement.

In late afternoon, the President began a series of brief, private conferences with the political inner circle. The men were called in individually. They included White House Assistant Adams, Press Secretary James Hagerty, Republican Chairman Hall, Vice-President Nixon and Gen. Wilton B. Persons of the White House staff.

#### The Great Day Arrives

Casually, with no display of dramatics, the President told each man that he had decided to make himself available for another term and would announce it at his press conference the next morning. Then he would go on TV to explain to the nation.

He asked them to inform only those who needed to know to make the Wednesday arrangements. This spread the word before the evening was over to a slightly larger group. Attorney General Brownell was informed. So was White

House Appointment Secretary Bernard Shanley and Assistant Press Secretary Murray Snyder. Dr. Milton Eisenhower was called and invited to the Wednesday night telecast. Robert Montgomery, TV consultant to the White House, was called to Washington. One reason for the time secrecy was the practical fear that a leak could cause havoc in the stock market, and expose Government officials to charges of malpractice.

Ike talked at length with Nixon. He said he would be pleased to have Nixon as his running mate again, but that the future was up to Nixon himself. Nixon, therefore, should think it over and reach his own decision.

So closely kept was the secret that, when the White House staff met at 8:30 a.m. Wednesday morning, only a few of the 30 men present knew what Ike would reveal later in the morning. James Hagerty presided, but gave not the slightest hint of anything, pro or con, to his nervous colleagues.

#### Suspense to the End

Shortly before 10:30 a.m., the President strolled across the street to the old State Department Building where 311 reporters awaited him in the Indian Treaty Room. Maintaining the suspense to the end, he talked of other subjects for several minutes. Then he got to "something more personal."

His decision on whether to run again was, Eisenhower said, "positive, that is, affirmative."

The news hit the press wires at 10:52 a.m. White House staff members, gathered around a news ticker, cheered.

The wise old owl of politics, House Republican Leader Joe Martin, was reminded of a scene at a Washington stag dinner back in mid-December, 1953. He had been seated one chair removed from President Eisenhower. Martin had just made a speech, predicting Ike's renomination and re-election in '56. Ike leaned over and tugged at his sleeve.

"I say, what you said about me, Joe," said Ike. "Wanna bet? I'll bet you a hat I don't run again."

"No, Mr. President, I'm not a betting man," said Martin. "But you'll run. I've been around here a long time and I know things about this business you don't know yet."

What Martin knew was the irresistible pulling power of the Presidency on the occupant, the net of loyalties and unsolved problems that gathered him in and would not let him loose.

Now, Ike knows what Joe Martin was talking about.

END



**Grace Kelly**, as Monaco's First Lady and Serene Highness, may be able to patch up the rift between Rainier and the mysterious stranger who now controls most of the realm's physical assets.

By **EDWARD M. KORRY** LOOK EUROPEAN EDITOR

WHenever Prince Rainier III of Monaco thinks about it, his royal blood begins to boil. The plain, upsetting fact is that the main financial benefactor from his marriage to Grace Kelly will be the fabulous Greek who bought the bank (and almost everything else) at Monte Carlo—Aristotle Socrates Onassis.

Rainier has nothing against Greeks, and most certainly nothing against millionaires. Indeed, he has been told that his marriage to a Hollywood star will attract enough well-heeled visitors to invigorate his minuscule Casino-land. But his relations with Onassis, one of the world's wealthiest men, are another story.

I first heard about it from Rainier himself last November, just before he went to the United States to seek Grace's hand. We were drinking brandy in the Prince's gadget-filled bar on the ground floor of his musty 200-room palace—part of the five-room suite where he and his bride will live. As he relaxed in a deep armchair, he told me of some of the trials and tribulations of the Prince business.

His 3,000 subjects were getting restive. They were acutely aware that, under a binding treaty, they would lose their tax-free, draft-free status of independence from France if their 32-year-old monarch didn't marry soon and produce an heir. In their view, years had already been "wasted" in his unproductive and publicly disapproved alliance with

continued



**Aristotle Socrates Onassis**, who says, "There is much poetry in high finance," sometimes sits for hours at a time on Monaco's public jetty and contemplates the Mediterranean. Turning around, he can also contemplate a few of his holdings in the city of Monte Carlo: the Hotel Hermitage **1**, the headquarters of his business enterprises **2**, the therapeutic baths **3**, the Nouvel Hôtel de Paris **4**, the only theater **5**, the Hôtel de Paris **6**, the Sporting Club **7**, the Casino **8** and the Pigeon Shoot **9**. He acquired most of the principality's choicest real estate in the course of setting up a tax-free base of operations for his global enterprises.

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MONTE CARLO STORY continued

## The man with the money usually gets what he wants



Onassis owns a fleet of 100 ships, but the only one ever seen at Monte Carlo is this former destroyer escort. He spent \$2,000,000 converting it into a yacht.

French actress Gisèle Pascal. Moreover, his authoritarian decisions to modernize Monaco by such revolutionary projects as building water-front skyscrapers had provoked the wrath of conservative residents. Worst of all, the Prince, on the advice of palace cronies, had deposited most of the national treasury in a fly-by-night bank whose owner is awaiting trial. The press of Europe was front-paging reports that Rainier would be replaced by his older sister, Princess Antoinette.

Yet the Prince seemed far from ruffled; he replied calmly to my questions. On marriage ("patience is rewarding"), the ideal wife ("blonde, blue-eyed, intelligent but not domineering, keen for sports"), Miss Kelly ("I've only met her once but I certainly hope to see her during my visit"), the bank failure ("annoying") and the political opposition ("fuddyyduddies"), the responses came easily. Like many other European noblemen before him, Rainier appeared confident that his trip to the United States would be rewarding.

It was only when I inquired about what Onassis might contribute to Monaco's development program that he flared up. "That man!" he cried, smashing his fist against the chair. "I won't have anything to do with him. Why, he would like to turn Monte Carlo into Monte Greco! He came here two years ago with a lot of big talk about wanting to help me modernize Monaco. We listened to him. We went out and hired engineers to survey his projects. And what happened? Nothing—except that we wasted money on the preparations."

"Have you seen Mr. Onassis lately?"

"Not for over a year. The last time he came to the palace, I told him: 'Mr. Onassis, your money has bought you everything except an education. You were badly brought up.' Then I showed him out."

Several weeks later, I was back in Monte Carlo having lunch with Onassis. So I asked him what he thought of Rainier.

"Not a bad boy, I guess," said the financier.

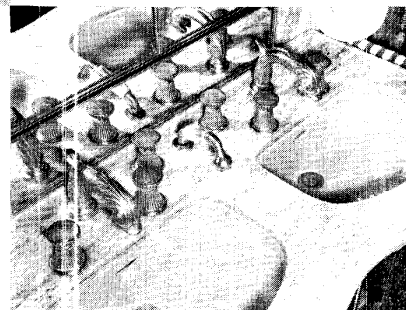
"Then what has he got against you?" I inquired.

"What? Did that kid have the nerve to say something nasty about me? What was it?" Then, with a quick shrug, he added: "I thought when we got him that boat, he wouldn't talk so much."

Onassis did not explain what he meant by "that boat." I had to get the story from members of the Riviera's international set who know the background of the Rainier-Onassis feud.

The rivalry between the monarch and the magnate began in 1952.

**Master bedroom** aboard his yacht includes such luxurious fixtures as gold-plated, solid-silver faucets that look like dolphins.



Onassis, an expert on fiscal loopholes, decided that tax-free Monaco would make a better command post for his expanding enterprises than Paris. His agents recommended the unused winter sporting club, a one-time hangout for grand dukes and their gilded girl friends.

The directors of the Société des Bains de Mer—which owns the club, the Casino, the leading hotels, the best night clubs, the only theater, the golf course and a substantial part of Monaco's limited acreage—refused to rent to the Greek millionaire. (The directors included the Prince and his palace advisers.) Despite lean postwar years and a \$150,000 annual deficit at the Casino, they balked at letting the mysterious Greek take over the principality's physical assets. He seemed too cosmopolitan even for easy-going Monaco.

Born in Turkey of Greek parents, Onassis is now an Argentine citizen. He has homes in New York, Paris and Montevideo, Uruguay, offices in London, Buenos Aires, Hamburg and Kiel, New York and Paris, and speaks six languages. And he has a fleet of ships which were built in West Germany and are financed by American money, registered in Honduras, Costa Rica, Liberia and Panama, insured in the U. S. and Britain and captained by Greeks.

Rainier decided that if Onassis wanted to come as a gambler, fine; as a tax-free resident, no. But the Prince was up against a man who usually gets what he wants when the stakes are high enough.

Onassis quietly began buying up stock in the Société des Bains de Mer through his 30 corporations scattered around the world. Soon, the Prince began to hear stories about how the shipping tycoon had plans

to drain the harbor and construct a race track there, to build an aerial railway to the skyline golf course, mountaintop restaurants and swimming pools—in short, to turn Monte Carlo into a spectacular tourist attraction. Rainier became intrigued. Pressing his advantage, Onassis “arranged” for the Prince to find a “real bargain” in a 135-foot yacht—the ship which the royal newlyweds will use on their honeymoon.

In a matter of months, the Greek not only had his winter sporting club, but was the controlling shareholder in the Société des Bains de Mer. Onassis, in effect, had bought out most of the desirable property of the tiny realm.

Too entranced with his “bargain” yacht and still too occupied with Gisèle Pascal, Rainier at first paid little heed to Onassis. But while the Prince was taking a cruise to Africa, looking for specimens for his oceanographic institute, Onassis set up shop in the sporting club. It became the headquarters from which he directed the movement of more than 100 ships, including the most modern tanker and whaling fleets on the seven seas.

At this point, both men unexpectedly found themselves in deep water. While the Prince came under attack at home and was forced to break off with Gisèle, Onassis ran into reefs all over the globe. The U. S. sued him for \$20,000,000 and the return of 16 surplus freighters he had allegedly bought through American “fronts.” Peru branded him a poacher, seized five of his new whaling vessels and demanded a whopping \$15,000,000.

Several major oil and shipping companies ganged up on Onassis when he suddenly emerged from six months of negotiation with Saudi Arabia with one of the most astonishing contracts of the decade. In return for establishing a Saudi Arabian maritime fleet with some of his tankers and creating a Saudi Arabian merchant-marine academy, Onassis was authorized to transport at least 10 per cent and as much as 80 per cent of Arabia’s oil. Meanwhile, a onetime Greek friend went to court to charge that Onassis, by using invisible ink on a contract, had

cheated him out of a promised \$560,000 fee for the alleged bribing of Saudi Arabian officials. To round out Onassis’ woes, the tanker market suddenly slumped.

Relations between him and Rainier, never too cordial, took a turn for the worse when the discontented and lonely Prince now began needling the Greek about his projected expansion program in Monaco. Unable to vent his frustrations elsewhere, Rainier apparently picked on Onassis as a convenient scapegoat. The shipowner hadn’t helped matters by privately criticizing the way the Prince was being advised to invest the national treasury.

But the most galling blow to princely pride came the day Rainier sailed home from a cruise to find the small Monte Carlo harbor dominated by an unbelievably luxurious yacht that made Rainier’s “bargain” look like a tugboat. The 303-foot, 1800-ton *Christina* was Onassis’ pride. He had put \$2,500,000 into converting the vessel from a destroyer escort and equipping it with lapis lazuli fireplaces, a paneled library, a mosaic swimming pool (that becomes a dance floor by push button), a modern surgery, rare paintings and a twin-engined amphibian perched on the deck. Anchored in the harbor, it reminded the Prince, every time he looked out his palace window, of his real and imagined grievances against Onassis. Monte Carlo was indeed beginning to look like Monte Greco.

But Rainier isn’t the only one with a complaint. For his part, Onassis regards his move to Monte Carlo as “the worst mistake of my life.” The reason is plain: Until he shifted to the international playground, he was relatively unknown. What he did with his money and with his time was his own business.

“I was just another Greek shipowner,” he told me. “But now I’m always on the front page. And all I wanted here was an office.” He shrugged. “Now that I’m involved more deeply, I want, of course, to make a success of my investment. And if you look at the value of the shares in the Société, you will see what a spectacular improvement

continued



**Onassis** (seated opposite his American wife) never gambles at Monte Carlo's famed Casino but likes to give “little dinner parties” for twenty or more well-heeled guests.

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# Onassis' vocation is "to be rich"



Painting by El Greco hangs in shipboard den where Onassis often works until dawn.

there has been in Monaco. Even the Casino has stopped losing money."

For the time being, both Rainier and Onassis appear to have reached a more relaxed modus vivendi. Marriage should solve the Prince's biggest personal problem, although his subjects will not rest easy until a nursery has been added to the palace apartment.

Onassis has been lucky too. His quarrel with Peru cost him \$3,000,000, but it turned out that the wily Greek was well covered by insurance. The U. S. freed his ships and settled for a comparatively modest \$7,000,000. Saudi Arabia has approved a contract which could net Onassis \$40,000,000 yearly. The \$560,000 suit of his former Greek friend was dismissed by a French magistrate. And the Kelly-Rainier marriage should prove anew that whatever this modern Midas touches turns to gold. All Monaco—especially the Société des Bains de Mer—is looking forward to a bonanza.

On his floating palace, where he relaxes with his 26-year-old

## MONTE CARLO STORY continued

American wife, Tina, and their two children, Alexander, 8, and Christina, 6, Onassis does not allow the Prince's animosity to sour his faith in himself and the future. He believes that fate, "the most important element in a man's life," has guided him to success, and he has been quoted as saying, "My vocation is to be rich."

It has been his vocation most of his life. The son of a tobacco merchant, young Aristotle landed in the Argentine at 16 with \$60 in his pocket and the determination to rebuild his family's fortunes. By sleeping only three hours daily and keeping his eyes open the rest of the time, he soon found a market for his father's tobacco. By the time he was 19, he had made his first \$20,000 and, by 25, his first million.

He bought bargain freighters during the depression and cashed in on them after the war. Foreseeing the tremendous postwar demand for oil, he signed transport charters with oil firms, used the contracts as collateral for loans from American banks and insurance companies, and began building supertankers as fast as he could. He bet on Germany's comeback and got low prices and fast delivery by ordering his tankers from German firms.

Like Ulysses, the first great Greek seafarer, Onassis is ready to range far and wide, to bring home high profits. Yet despite his taste for excitement, his favorite proverb cautions against impracticability: "Don't try to put both feet in one shoe."

Perhaps that is why Onassis donated one million francs to Prince Rainier's favorite charity, the Red Cross of Monaco, only an hour after the engagement to Grace was announced. He may have concluded that 370-acre Monaco is too small for feuding. Besides, feuding doesn't pay.

Sitting on palatial yacht's whaleskin bar stool, the financier ponders his future relationship with the young prince whose country he has all but taken over.

